

THE DOMINION BANK



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**SIXTY - FIFTH
ANNUAL REPORT
31ST DECEMBER 1935**

SIXTY-FIFTH ANNUAL REPORT

1871

1935



THE DOMINION BANK

31st DECEMBER, 1935

THE DOMINION BANK

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP	- -	\$7,000,000
RESERVE FUND	- - -	\$7,000,000
UNDIVIDED PROFITS	- \$	592,699

31ST DECEMBER, 1935

BOARD OF DIRECTORS

PRESIDENT

C. H. CARLISLE

CHAIRMAN OF THE BOARD

C. A. BOGERT

VICE-PRESIDENT

R. S. McLAUGHLIN

Col. The HON. H. A. BRUCE,
M.D., F.R.C.S. (Eng.)

R. Y. EATON

R. J. GOURLEY

E. W. HAMBER

J. M. MACKIE

A. C. MATTHEWS

F. GORDON OSLER

JOSEPH M. PIGOTT

J. ALLAN ROSS

H. H. WILLIAMS

EXECUTIVE COMMITTEE OF THE BOARD

C. A. BOGERT

C. H. CARLISLE

R. S. McLAUGHLIN

H. H. WILLIAMS

HEAD OFFICE: TORONTO

OFFICIALS

DUDLEY DAWSON - General Manager

ROBERT RAE - - - Assistant General Manager

C. S. HOWARD - - - Chief Supervisor

A. H. BAILLIE - - - Eastern Supervisor

C. A. PACK - - - Chief Inspector

SUPERVISORS

S. C. COOK

W. C. MACAGY

T. WILDING

W. B. TANNAHILL - Secretary

JOHN MILLER - Chief Accountant

W. H. LEROY - Staff Superintendent

JAMES GRANT - - - Superintendent of Bank Premises

WESTERN OFFICIALS—WINNIPEG

R. K. BEAIRSTO - Assistant General Manager

E. R. CAMERON

Western Supervisor

E. D. WHITE

Inspector

BRANCHES OF THE DOMINION BANK

ONTARIO

BADEN	J. B. Runstedtler	Manager
BELLEVILLE	B. C. Sisler	Manager
BRACEBRIDGE	W. W. Creswick	Manager
BRAMPTON	W. E. Glenney	Manager
BRANTFORD	John McMillan	Manager
BROOKLIN	J. A. Tilley	Manager
CHATHAM	W. Watts	Manager
COBOURG	J. W. Spragge	Manager
DRESDEN	E. W. Slaght	Manager
FAIRBANK	S. Blues	Manager
FORT FRANCES	W. T. Russell	Manager
FORT WILLIAM	W. S. Pate	Manager
GRAVENHURST	F. A. Boulden	Manager
GUELPH	A. H. Bazett	Manager
HAMILTON	Norman Evans	Manager
“ East End Branch (King and Wentworth Sts.)	J. S. Dean	Manager
“ Gage Ave. Branch (Gage Ave. and Barton St.)	C. A. Thorpe	Manager
“ Homeside Branch (Barton St. and Kenilworth Ave.)	G. E. Hynes	Manager
HESPELER	S. T. Organ	Manager
HUNTSVILLE	J. G. Fraser	Manager
KENILWORTH	P. A. Journeaux	Manager
KENORA	W. W. Duncan	Manager
KIRKLAND LAKE	C. S. Blenkinship	Manager
KITCHENER	H. S. Lancefield	Manager
“ West End Branch (King and Wilnot Sts.)	P. Kennedy	Manager
LEAMINGTON	J. W. Maize	Manager
LINDSAY	M. E. Grant	Manager
LONDON	H. F. Smith	Manager
“ Rectory Street Branch	G. K. Bryson	Manager
LONG BRANCH	W. I. Hargreaves	Manager
MADOC	W. H. McBain	Manager
MARMORA	T. W. Rhind	Manager
MOUNT ALBERT	T. A. Smith	Manager
MOUNT FOREST	P. A. Journeaux	Manager
NAPANEE	R. Humphrey	Manager
NEW TORONTO	W. V. Dedrick	Manager
NIAGARA FALLS	R. F. J. Ford	Manager
ORILLIA	W. E. Scott	Manager
OSHAWA	Hugh Hall	Manager
“ South Oshawa Branch	A. N. Kidd	Manager
OTTAWA	C. O. Fellowes	Manager
PETERBOROUGH	R. T. E. Hicks-Lyne	Manager
ROSSEAU	E. K. McL. Jones	Manager
ST. CATHARINES	J. M. R. Torrie	Manager

BRANCHES-ONTARIO—Continued

ST. THOMAS.....	H. G. Henderson.....	Manager
SARNIA.....	W. B. Macdonald.....	Manager
SEAFORTH.....	E. C. Boswell.....	Manager
SUDBURY.....	G. Heath Ross.....	Manager
TIMMINS.....	F. A. Burt.....	Manager
TORONTO:		
Cor. King and Yonge Sts.....	A. C. Ashforth.....	Manager
	J. D. N. Waugh.....	Asst. Manager
	N. F. Monro.....	Asst. Manager
Avenue and Davenport Rds.....	P. J. Jones.....	Manager
Bay and St. Albans Sts.....	Wm. E. Lepper.....	Manager
Bloor and Bathurst Sts.....	F. R. Cochran.....	Manager
Bloor St. and Dovercourt Rd.....		Manager
Bloor St. and Runnymede Rd.....	W. A. Cunningham.....	Manager
City Hall Branch.....	W. Walker.....	Manager
Danforth and Leyton Aves. (3334 Danforth Ave.).....	W. H. Seabrook.....	Manager
Danforth and Logan Aves.....	J. J. Irwin.....	Manager
Davenport and Dovercourt Rds.....	R. A. Jennings.....	Manager
Davenport Rd. and Laughton Ave.....	A. J. Essery.....	Manager
Dufferin St. and Lappin Ave.....	D. W. Dean.....	Manager
Dundas and McCaul Sts.....	A. P. Duck.....	Manager
Dundas St. and Runnymede Rd.....	W. O. Archdekin.....	Manager
Dupont and Christie Sts.....	R. W. M. Thomson.....	Manager
Gerrard St. and Coxwell Ave.....	R. R. Rogers.....	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.).....	D. A. Burns, Jr.....	Manager
Market Branch (King and Jarvis Sts.).....	W. S. Gray.....	Manager
Mount Pleasant Rd. and Hillsdale Ave.....	J. C. Taylor.....	Manager
Parkdale (Queen St. and Jameson Ave.).....	J. D. Ketchum.....	Manager
Queen St. and Augusta Ave.....	G. M. Chesney.....	Manager
Queen St. and Broadview Ave.....	A. H. Black.....	Manager
Queen and John Sts.....	R. R. Buchanan.....	Manager
Queen St. and Lee Ave.....	G. R. Cook.....	Manager
Queen St. and Ossington Ave.....	M. E. Roberts.....	Manager
Queen and Sherbourne Sts.....	T. C. Glenn.....	Manager
Queen and Victoria Sts.....	M. S. Burger.....	Manager
Roncesvalles and Howard Park Aves.....	C. W. McMichael.....	Manager
Rosedale (Sherbourne and Bloor Sts.).....	J. T. Lownsbrough.....	Manager
St. Clair Ave. and Dufferin St.....	C. A. R. Hunter.....	Manager
St. Clair Ave. and Vaughan Rd.....	P. E. J. Netterfield.....	Manager
Spadina Ave. and Adelaide St.....	Joseph Johnson.....	Manager
Spadina Ave. and College St.....	L. L. Laird.....	Manager
West Toronto Branch.....	F. E. Havill.....	Manager
Yonge St. and Eglinton Ave.....	F. W. Slatter.....	Manager
Yonge and Gerrard Sts.....	E. S. Swallow.....	Manager
Yonge and Hayden Sts.....	N. J. O'Flynn.....	Manager

BRANCHES—Continued

TORONTO—Continued

Yonge St. and Marlborough Ave.	E. E. Abbott	Manager
Yonge St. and St. Clair Ave.	T. W. Joyce	Manager
Yonge St. and Teddington Park Ave.	G. J. Vicars	Manager
York and Adelaide Sts.	R. B. Hunter	Manager
UXBRIDGE	C. R. Hanna	Manager
WELLAND	H. E. Stark	Manager
WHITBY	J. H. Perry	Manager
WINDSOR	G. S. Hackland	Manager
WINGHAM	J. R. M. Spittal	Manager
WOODSTOCK	J. A. Wallace	Manager

QUEBEC

MONTREAL	W. A. Fisher	Manager
	W. J. Dundas	Asst. Manager
Beaubien and Christophe Colomb Sts.	A. S. Jamieson	Manager
Bleury and St. Catherine Sts.	J. K. Muir	Manager
	Frank F. Hull	Asst. Manager
Dominion Square Branch, Peel and St. Catherine Sts.	T. F. R. Elliott	Manager
Guy and St. Catherine Sts.	R. J. Nichols	Manager
Monkland and Old Orchard Aves.	E. G. Wurtele	Acting Manager
St. Jean Baptiste Market	I. H. Gordon	Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	P. C. Marsh	Manager

MANITOBA

BOISSEVAIN	A. Morton	Manager
BRANDON	T. T. Rodger	Manager
DELORAIN	R. A. Glendinning	Manager
St. Boniface (Union Stock Yards Branch)	L. S. Nicolson	Manager
SELKIRK	S. Boone	Manager
THE PAS	M. McLeod	Manager
WINNIPEG	R. K. Beirsto	Manager
	C. S. Pim	Asst. Manager
Main St. and Redwood Ave.	W. D. Cockerill	Manager
North End (Main St.)	B. E. Elmore	Manager
Notre Dame Ave. and Sherbrook St.	P. M. Wass	Manager
Portage Ave. and Kennedy St.	C. O. Bell	Manager
Portage Ave. and Sherbrook St.	W. M. Hamilton	Manager

BRANCHES—Continued

SASKATCHEWAN

GRENFELL.....	C. H. Johnston.....	Manager
MOOSE JAW.....	B. E. Hull.....	Manager
REGINA.....	W. A. Radcliff.....	Manager
SASKATOON.....	L. C. Brown.....	Manager

ALBERTA

CALGARY.....	C. W. Jones.....	Manager
EDMONTON.....	M. C. Fraser.....	Manager
MEDICINE HAT.....	W. S. Ashley.....	Manager

BRITISH COLUMBIA

VANCOUVER.....	A. A. Atkinson.....	Manager
Pender and Howe Sts.....	W. D. Kelly.....	Manager
Robson and Hornby Sts.....	C. B. Pearson.....	Acting Manager
VICTORIA.....	D. McMillan.....	Manager

NEW BRUNSWICK

SAINT JOHN.....	C. Waite.....	Manager
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LONDON, ENGLAND

3 KING WILLIAM ST., E.C.4.....	Percival Huffman.....	Manager
	E. W. Booth.....	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 WALL ST.....	A. W. Rice.....	Agent
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CHIEF CORRESPONDENTS

GREAT BRITAIN	-	Bank of England. Barclays Bank Limited. Anglo-South American Bank, Limited. British Overseas Bank, Limited. Lloyds Bank Limited. National Bank of Scotland, Limited. Union Bank of Scotland, Limited.
AFRICA	- - - -	Barclays Bank (Dominion, Colonial and Overseas).
AUSTRALASIA	- -	Commercial Bank of Australia, Limited. National Bank of Australasia, Limited. Union Bank of Australia, Limited. Bank of New Zealand.
BELGIUM	- - - -	Banque d'Anvers. Banque de Bruxelles.
CHINA	- - - -	Chartered Bank of India, Australia and China. Chase Bank. Hong Kong and Shanghai Banking Corporation. National City Bank of New York.
CZECHO-SLOVAKIA		Anglo-Czechoslovak and Prague Credit Bank
FINLAND	- - - -	Kansallis-Osake-Pankki.
FRANCE	- - - -	Banque Transatlantique. Barclays Bank (France), Limited. Chase Bank. Comptoir National d'Escompte de Paris.
GERMANY	- - -	Deutsche Bank und Disconto Gesellschaft.
HOLLAND	- - - -	Amsterdamsche Bank. Rotterdamsche Bankvereeniging.
ITALY	- - - -	Banca Commerciale Italiana. Credito Italiano.
JAPAN	- - - -	Mitsubishi Bank, Limited. Mitsui Bank Limited. National City Bank of New York. Yokohama Specie Bank, Limited.
POLAND	- - - -	Bank Handlowy W Warszawie.
SOUTH AMERICA	-	Anglo-South American Bank, Limited. National City Bank of New York.
SPAIN	- - - -	Anglo-South American Bank, Limited.

CHIEF CORRESPONDENTS—Continued

SWEDEN	- - -	Svenska Handelsbanken.
SWITZERLAND	- -	Banque Federale. Banque Populaire Suisse.
WEST INDIES	- -	Barclays Bank (Dominion, Colonial and Overseas). National City Bank of New York.
UNITED STATES		
BOSTON, MASS.	- -	First National Bank of Boston. National Shawmut Bank of Boston.
BUFFALO, N.Y.	- -	Liberty Bank of Buffalo. Marine Trust Company of Buffalo.
CHICAGO, ILL.	- -	Continental Illinois National Bank and Trust Company of Chicago.
CLEVELAND, O.	- -	National City Bank of Cleveland.
DETROIT, MICH.	- -	National Bank of Detroit.
DULUTH, MINN.	- -	First and American National Bank.
LOS ANGELES, CAL.	-	Bank of America National Trust and Savings Association.
MINNEAPOLIS, MINN.	-	First National Bank and Trust Company. Northwestern National Bank and Trust Company.
NEW YORK, N.Y.	-	National City Bank of New York. Central Hanover Bank and Trust Company. Chase National Bank of the City of New York. Corn Exchange Bank Trust Company. Irving Trust Company.
PHILADELPHIA, PA.	-	Central-Penn National Bank of Philadelphia. Philadelphia National Bank.
PITTSBURGH, PA.	-	First National Bank at Pittsburgh. Peoples-Pittsburgh Trust Company.
ST. LOUIS, MO.	- -	Mercantile-Commerce Bank and Trust Company.
ST. PAUL, MINN.	-	First National Bank of St. Paul.
SAN FRANCISCO, CAL.	-	Bank of California, N.A. Bank of America National Trust and Savings Association.
SEATTLE, WASH.	- -	Bank of California, N.A. National Bank of Commerce of Seattle.
WASHINGTON, D.C.	-	Riggs National Bank of Washington.

GENERAL STATEMENT, YEAR

ASSETS		
Gold held in Canada.....	\$ 534.46	
Subsidiary coin held in Canada.....	262,722.31	
Gold held elsewhere.....	113.85	
Subsidiary coin held elsewhere.....	659.63	
		\$ 264,030.25
Notes of Bank of Canada.....	\$2,271,569.00	
Deposits with Bank of Canada.....	9,931,529.60	
		12,203,098.60
Notes of other Chartered Banks.....	439,900.00	
Government and Bank notes other than Canadian..	88,180.56	
Cheques on other Banks.....	9,154,475.05	
Due by Banks and Banking Correspondents else- where than in Canada.....	2,756,277.64	
		\$24,905,962.10
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value.....	11,842,690.71	
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....	18,330,775.01	
Canadian Municipal Securities, not exceeding market value.....	5,058,148.85	
Public Securities other than Canadian, not exceeding market value.....	1,250,827.22	
Other Bonds, Debentures and Stocks, not exceeding market value.....	3,033,637.56	
Call and short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	7,256,258.23	
Call and short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Deben- tures, Bonds and other Securities, of a sufficient marketable value to cover.....	3,282,067.94	
Deposit with the Minister of Finance for the security of note circulation.....	345,074.09	
		\$75,305,441.71
Current Loans and Discounts in Canada, not other- wise included, estimated loss provided for.....	\$45,209,589.81	
Loans to Cities, Towns, Municipalities and School Districts.....	2,830,263.86	
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for.....	219,564.06	
Non-Current Loans, estimated loss provided for....	361,106.94	
Bank Premises, at not more than cost, less amounts written off.....	5,855,000.00	
Real Estate other than Bank Premises.....	85,068.54	
Mortgages on Real Estate sold by the Bank.....	37,209.12	
Other Assets not included under the foregoing heads	198,282.72	
		54,796,085.05
Liabilities of Customers under Acceptances and Letters of Credit, as per contra.....	4,022,279.35	
		\$134,123,806.11

ENDED 31st DECEMBER, 1935

LIABILITIES

Capital paid up.....		\$7,000,000.00
Reserve Fund.....	\$7,000,000.00	
Balance of profits as per Profit and Loss Account.....	592,699.16	
Dividend No. 213, payable 2nd January, 1936.....	175,000.00	
Former Dividends unclaimed.....	484.27	
		7,768,183.43
Total Liabilities to the Shareholders.....		\$14,768,183.43
Notes of the Bank in circulation.....	\$5,902,231.50	
Deposits by and balances due to Dominion Government.....	\$ 357,912.72	
Deposits by and balances due to Provincial Governments.....	1,047,882.76	
Deposits by the public not bearing interest.....	21,084,856.99	
Deposits by the public bearing interest, including interest accrued to date of statement.....	83,446,559.45	
		105,937,211.92
Deposits by and balances due to other Chartered Banks in Canada.....	2,477,140.93	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries.....	664,815.40	
Liabilities to the public not included under the foregoing heads.....	351,943.58	
		115,333,343.33
Acceptances and Letters of Credit outstanding.....		4,022,279.35
		\$134,123,806.11

C. H. CARLISLE,
President.

DUDLEY DAWSON,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

That we have examined the above Balance Sheet as at December 31st, 1935, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at December 31st, 1935, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.

D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

Toronto, January 16th, 1936.



HEAD OFFICE - TORONTO

THE DOMINION BANK

PROCEEDINGS of the Sixty-Fifth Annual General Meeting of the Shareholders

THE SIXTY-FIFTH Annual General Meeting of the Shareholders of The Dominion Bank was held at the Banking House of the Institution, Toronto, on Wednesday, January 29th, 1936, at 2.30 o'clock in the afternoon.

Among those present were:

A. C. Ashforth, A. A. Atkinson (Vancouver), E. H. Baines, Dr. R. M. Bateman, R. K. Beairsto (Winnipeg), Evan A. Begg, A. M. Bethune, A. H. Black, C. A. Bogert, Rev. Francis H. Brewin, Col. the Hon. Herbert A. Bruce, M.D., F.R.C.S. (Eng.), H. A. Burgess, E. R. Cameron (Winnipeg), D. A. Campbell, C. H. Carlisle, Gordon T. Cassels, Dudley Dawson, R. L. Defries, A. E. Dymont, John S. Entwistle, Gerald Garland, G. Reginald Geary, K.C., Wilson Geddes (Charlotte, Mich.), A. E. Gibson (Oakville), R. J. Gourley (Winnipeg), W. S. Gray, A. Monro Grier, K.C., C. S. Howard, Joseph Ingleby (Hamilton), Charles W. Kerr, K.C., Louis L. Lang (Kitchener), Charles E. Lee, E. B. LeRoy, John M. Lyle, J. M. Macdonnell, Arthur Macdonald, Arnold C. Matthews, Gordon R. Medland, Leighton McCarthy, K.C.,

George A. McGillivray, R. S. McLaughlin (Oshawa), Allan McPherson (Orillia), F. Gordon Osler, Joseph M. Pigott (Hamilton), Robert Rae, J. G. Ramsey, A. W. Rice (New York), J. Allan Ross, W. T. H. Selby, William Walker, Walter Wily.

The chair was taken by Mr. C. H. Carlisle, President. Mr. C. S. Howard was appointed to act as Secretary of the Meeting, and Mr. E. H. Baines and Mr. Walter Wily were appointed Scrutineers.

The Chairman called upon the Secretary of the Meeting to read the notice calling the Meeting. The Minutes of the last Annual General Meeting were taken as read.

Chairman—The Secretary of the Meeting will read the Report of the Directors to the Shareholders and also the Auditors' Report.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors beg to present the following Statement of the result of the business of the Bank for the year ended 31st December, 1935, and a General Statement of the Assets and Liabilities as of such date:

Balance of Profit and Loss Account, 31st December, 1934	\$541,142.92	
The Profits for the year ended 31st December, 1935, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, amounted to	\$1,130,052.91	
Less Dominion and Provincial Government Taxes	228,496.67	
		901,556.24
		<u>\$1,442,699.16</u>
Dividends (quarterly) at Ten per cent. per annum	\$700,000.00	
Contribution to Officers' Pension Fund	75,000.00	
Written off Bank Premises	75,000.00	
		850,000.00
Balance of Profit and Loss Account carried forward		<u>\$592,699.16</u>

C. H. CARLISLE,
President.

DUDLEY DAWSON,
General Manager.

We deeply regret to report the death, during the year, of Mr. W. W. Near, a member of the Board since 1917, and Vice-President since January, 1934. Mr. J. M. Pigott, of Hamilton, Ont., was elected to fill the vacancy.

During the year a Branch was opened at Pender and Howe Streets, Vancouver. The following offices were closed:

St. Clair Avenue West, Toronto;
East End, St. Thomas, Ont.;
Wyandotte St. and Ouellette Ave., Windsor, Ont.
Camrose, Alta.

Head Office and all Branches were inspected during the year.

The annual examination of the Bank's affairs was made by the Shareholders' Auditors, Mr. A. B. Shepherd F.C.A., and Mr. D. McK. McClelland, F.C.A., whose report is appended to the Balance Sheet. Mr. McClelland, having completed his term, retires by rotation and you will be asked at this meeting to appoint Mr. W. D. Glendinning, C.A., to serve with Mr. Shepherd as Shareholders' Auditors for the year 1936.

C. H. CARLISLE, President.

23rd January, 1936.

ANALYSIS OF THE PROFIT AND LOSS ACCOUNT
AND BALANCE SHEET BY MR. DUDLEY
DAWSON, GENERAL MANAGER

As you have just heard, the Bank's profits for the year were \$1,130,052, a decrease of \$21,509, as compared with 1934. After paying the Dividends, making a contribution of \$75,000 to the Officers' Pension Fund, providing \$228,496 for taxes and writing \$75,000 off Bank Premises, the Profit and Loss Account stood at \$592,699, which is \$51,557 more than was carried forward at the 31st December, 1934.

Turning to the Balance Sheet, a copy of which is before you: Notes of the Bank in Circulation were \$5,902,231, a decrease of \$781,392. (This was largely necessitated by the terms of the revised Bank Act, on which matter comment will be made later.)

The total Deposits were \$105,937,211, consisting of interest bearing, \$84,370,564, and those not bearing interest, \$21,566,647, as compared with a total of \$98,269,160 a year ago, an increase of \$7,668,051, about equally divided between those bearing interest and those not bearing interest. Nowadays large sums are left on deposit with the Banks by corporations as they know their funds are safe and they do not wish to invest even in "gilt-edged" securities, because the rates of interest are so low. The major portion of the increase under this heading is accounted for by funds of this nature.

At the end of 1934 we owed the Dominion Government, under the Finance Act, \$1,500,000—our share of a special loan of \$35,000,000, made by the Banks to the Government in November, 1932. It has since been repaid, and as the Finance Act has been repealed, the heading will not again appear in our Statement.

Acceptances and Letters of Credit Outstanding were \$4,022,279, an increase of \$1,905,501, or nearly 100%. This reflects larger exports and imports of foreign goods and commodities by the customers of the Bank.

The establishment of the Bank of Canada and the revision of the Bank Act, have made it necessary for us to alter, in some respects, the set-up of our Balance Sheet. You will observe "Gold and Silver Coin" is now divided into four

headings; "Deposit in the Central Gold Reserves" and "Dominion Notes" have disappeared, and the following new headings have been raised: "Notes of Bank of Canada," "Deposits with Bank of Canada" and "Loans to Cities, Towns, Municipalities and School Districts."

Gold and Coin, \$264,030, shows a decrease of \$802,758. The Chartered Banks were obliged, under the Bank of Canada Act, to surrender to the Bank of Canada all their holdings of gold in this country—in our case, some \$800,000 was involved. As this gold was held to protect liabilities outside of Canada, the Banks complied with the requirement under protest to the Dominion Government, and the result was that they were paid the ruling price—\$35 per fine ounce—but only on 40% of their holdings; on the remaining 60% they received \$20.67 per fine ounce.

Notes of the Bank of Canada and Deposits with the Bank of Canada total \$12,203,098.

Heretofore, a Bank was permitted to issue notes up to the amount of its paid-up capital, plus its deposit in the Central Gold Reserves, and during the crop moving season, i.e., from the 1st of September to the 1st of March, an additional amount not exceeding 15% of combined paid-up capital and reserve fund. Under Section 61 of the revised Bank Act, a bank is not permitted to issue circulation in excess of its paid-up capital; beginning this year, and continuing until 1940, the amount of notes outstanding must decrease at the rate of 5% per annum, and 10% per annum during each of the following five years. In view of this legislation, the Central Gold Reserves are not now required, and, as stated earlier, the amount of this Bank's circulation in the hands of the public has been reduced.

The Dominion Government no longer issues notes, this function having been taken over by the Bank of Canada, consequently the heading "Dominion Notes" has been eliminated from our Statement.

To comply with Section 27 of the Bank of Canada Act, a chartered bank must maintain reserves of not less than 5% of its total deposit liabilities within Canada. This may be in the form of a deposit with the Bank of Canada or in notes of that institution, or in both. On the 31st Decem-

ber, 1935, we had in these reserves slightly over \$12,200,000, which is 11.6% of our deposit liabilities in Canada.

Cash Assets, \$24,905,000, are equivalent to 21.59% of the public liabilities, as compared with 19.97% twelve months ago. Readily realizable assets, consisting principally of Cash, Government, Municipal and other Bonds and Call and Short Loans, \$75,305,441, are equal to 65.29% of the public liabilities, as compared with 61.02% in 1934. These figures indicate that your Bank is in a very strong and liquid position.

Although this was pointed out last year, it is of sufficient importance, on account of the large amount invested by the Bank in securities, to warrant repetition—that of a total portfolio of \$39,516,000 (which is the largest in the history of the Bank) only \$86,786, or approximately a quarter of one per cent., does not yield any return. Another feature worthy of note is that \$12,402,849 of the Bank's securities mature during 1936 and 1937; consequently we are in a favourable position to take advantage of a possible increase in rates of interest on securities and any demand for commercial loans which may arise.

Call and Short Loans in Canada were \$7,256,258 as compared with \$7,801,873 on the 31st December, 1934. The security held against these loans consists of readily marketable stocks and bonds, with adequate margin. Call and Short Loans elsewhere than in Canada, \$3,282,067, represent advances made in New York and London, Eng., against first-class securities.

Current Loans and Discounts in Canada, \$45,209,589, and Loans to Cities, Towns, Municipalities and School Districts, \$2,830,263, a total of \$48,039,852, compared with \$50,220,134 a year ago, show a decrease of \$2,180,282. Most Canadian Banks show lower figures under these combined headings for 1935 than they did in 1934. In times of depression when business slackens and prices fall, loans of this character naturally decline and during the last few years, in fact since 1929, they have shown a steady reduction, but it is hoped that as business improves the trend will be upward, as it is from this source that a bank derives its greatest revenue.

Non-Current Loans, \$361,106, show a slight decrease from a year ago, when they stood at \$376,463. Adequate provision has been made for all possible losses in the Bank's loans.

Bank Premises Account totals \$5,855,000. During the year under review we remodelled our St. James St., Montreal, premises at a cost of \$23,000. It is now a very attractive office, and will probably meet our requirements for some time to come. No expenditures were made during the year for land or new buildings, nor are any outlays of this nature contemplated in 1936. \$75,000 has been written off for depreciation, as compared with \$50,000 a year ago.

Real Estate other than Bank Premises and Mortgages on Real Estate Sold, amounted to \$122,277, an unimportant total.

It gives me much pleasure to acknowledge the splendid manner in which the members of our staff, who now number 1,146, have carried out their respective duties during the year just closed.

The policy of eliminating unprofitable branch banks continues. During 1935 ninety-six offices were closed in Canada and there now remain 3,432. This is still too many and as time goes on the situation will undoubtedly be rectified. As there did not appear to be much likelihood of our being able to place the following branches on a profitable basis for at least some time to come, we considered it advisable to close them:

1746 St. Clair Ave. West, Toronto
Wyandotte St. and Ouellette Ave., Windsor
East End, St. Thomas
Camrose, Alta.

Other banks withdrew, by arrangement, in our favour at Delaware Ave. and Bloor St. West, Toronto; West End, Kitchener; and Whitby, Ont. Our first country branch was opened at Whitby in April, 1871—some of the founders of the Bank were from that community—and we have a fairly substantial business there. For the convenience of our customers, we opened a Branch at the corner of Pender and Howe Sts., Vancouver, where we consider the prospects are excellent.

It is appropriate at this time to comment briefly on the unfair criticism directed against Canadian Banks during the past year or two. One of the first duties of a bank is to safeguard its depositors, the large majority of whom are not, as is generally supposed, of the wealthy class. An analysis of this Bank's demand and notice deposits in Canada, excluding those of the Dominion and Provincial Governments, reveals that 66% of our depositors have balances of \$100 and less, while those with deposits of \$1,000 and less make up 92% of the total number of depositors.

Considerable attention has been given to the fact that the Canadian Banks' holdings of high-grade securities have increased substantially during the past few years and, in some quarters, it is claimed that this policy has been detrimental to the borrowing public. Nothing is further from the truth. The Banks are at all times ready and willing to make advances to those entitled to credit—that is their most fruitful source of revenue. A decreased demand for loans, due in large measure to present business conditions, has resulted in the Banks purchasing high-grade Government securities to keep their money employed—they had no alternative.

Another subject I should like to mention is that the Banks perform many services for which they receive little or no compensation—this is a matter which is now being given attention—it should have been dealt with long ago. For instance, in cases where a depositor issues numerous cheques and only maintains a small balance, the cost of operating such an account amounts, in the aggregate, to quite a substantial sum and it should be obvious to every one that a bank cannot continue to extend such service for nothing—a small fee is only reasonable and right, and such a charge is made in other countries.

In conclusion, as you all know, we have, during the past six years, been passing through a period of readjustment, which was long overdue. Undoubtedly, however, since 1932 business generally has been on the upgrade. Notwithstanding that various major problems have yet to be solved, we look forward with confidence to a steady continuation of the improvement now in evidence.

ADDRESS BY MR. C. H. CARLISLE,
PRESIDENT

You, as Shareholders of The Dominion Bank, are naturally and primarily interested in the return on your investments and the safety of your investments. Your General Manager, Mr. Dudley Dawson, has just read to you a statement of the Bank's affairs as at the close of the fiscal year, December 31st last. He has commented on the year's operations and has told you in a brief manner of changed conditions in Canadian banking and how these conditions have affected, and are affecting, your Bank's operations.

The results of the year just closed, as compared with the preceding year, show improvement in the Bank's activities. The profits of the year's operations have been sufficient to pay dividends at 10% per annum. Considering the restricted demand for money, the very low rates of interest charged, the small returns from investments which your Bank must make to keep its money occupied, the assumption by the Bank of Canada of many remunerative functions that were formerly the privilege of the Chartered Banks, the results of the year's operations should not prove disappointing. I am sure your General Manager will join with me when I state to you that your Board of Directors have played no small part in the results obtained, and have given unusual support to both management and staff.

We greatly regret the death of Mr. Wallace Near, a Director and Vice-President of your Bank. Mr. Near was elected to the Board in 1917 and to the office of Vice-President in 1934. His death occurred last July. Mr. Near had a highly successful business career, he was frank, aggressive and able. He gave much of his time to the affairs of the Bank and his counsel was always sound and helpful.

Recently Mr. Joseph M. Pigott, of Hamilton, accepted an invitation to join your Board and was elected a member last November. Mr. Pigott is President of the Pigott Construction Company, Limited; President of the Pigott Realty Company. Mr. Pigott has been successful in his business enterprises, he is a man of sterling character, with broad experience, and will serve the Bank well.

It is, I suppose, inevitable at all times that men, rated as intelligent and honest, will occasionally make statements foreign to facts and harmful. This habit is most prevalent during election campaigns. Attacks have been unjustly made on business, financial institutions and on men who have done much for the betterment of our country and on men who are now entrusted with management. The false and unjust criticism of our Chartered Banks last year was most unfortunate and harmful. Canadian Chartered Banks have earned the confidence of our people and I think they enjoy the confidence of the people who are acquainted with bank operations. Our Banks have endured, without failure, the world's greatest business depression. They have served our Governments, our business and our people generally in a consistent and business-like manner. When interest rates were as high as 14% in New York, your Banks carried on at their usual rates of 6% to established industry. Our Banks have been criticized for retarding loaning, when the facts clearly show, as Mr. Dawson has indicated, they are anxious to increase loans, when loans may be made on sound security. Banks can only be successful as there is expansion of business and the development of our country. It is absurd to believe they would wilfully retard that growth by refusing to loan money if proper opportunities presented themselves.

On June 12th last, the Ontario Government tendered a loan of \$15,000,000, as follows:

\$5,000,000	2 $\frac{1}{4}$ %	— 5 years
5,000,000	2 $\frac{1}{2}$ %	— 10 years
5,000,000	3%	— 15 years

We understand there were no bids for this loan. Immediately, through the press and otherwise, it was stated that the Banks and other financial institutions had boycotted the loan on account of the Government having passed legislation cancelling certain power contracts. It is your right, as Shareholders of the Bank, to know the Bank's action in this matter. Your Board did not refuse to share in this loan on account of the Government cancelling power contracts nor on account of the Government's credit position, but on account of the rates offered being out of line with current

high grade securities. June 15th, the Government offered a substitute loan of \$20,000,000 in terms of two and five years at rates of $2\frac{3}{4}\%$ to 3% . Your Bank purchased \$500,000 of these bonds, which was in keeping with the money we had for investment at that time. June 12th, the time the first loan was offered, your Bank held Government bonds and treasury bills with a par value as follows:

Ontario.....	\$10,472,000
Dominion.....	14,067,000
All other Provinces.....	1,673,000
Securities held in all Power Companies.....	170,000

From the facts submitted, the criticism, as applied to your Bank, was most unfair and untrue. It is likely you will concur in the Board's action in this transaction.

In the short time allotted to me on this occasion, it is difficult to say much of interest on national and international affairs. Sometimes I think we do not realize how favourably Canada compares with other nations and the opportunities Canada offers. Our great expanse of fertile lands, our precious metals varied and great in extent, our coal, copper and lead, our forests and fisheries, our unsurpassed inland waterways, our educational institutions, our churches, our freedom of speech and religions, all of these make Canada a choice country in which to live.

With less than 3 people in Canada to the square mile, compared with a corresponding figure of 196 people per square mile in France, 742 in England, 357 in Germany and 344 in Italy, Canada can easily support a population equal to, or greater than, that of the United States at the present time. Canada should be a country of low taxes, low cost of production and a prominent nation in exports. The things we have done poorly, and may now be doing poorly, can never permanently retard the development of this country—they just cause temporary and unnecessary embarrassment. When I find fault with Canada's political and financial affairs it is for the purpose of betterment.

A year ago, at your Annual Meeting, I called your attention to the seriousness of the enormous debt resting on our

people. Since then the burden has been increased instead of lightened. We are face to face with vital conditions that affect our very existence; we can no longer give excuses why we do not solve them. Our Government debt, including contingencies, is estimated at \$6,954,000,000, our corporate debt is estimated at \$2,250,000,000, making a total of \$9,204,000,000 with which our people have to deal. Our net annual interest payments to foreign countries are somewhat over \$600,000 daily. Add to this, \$166,000,000, due to the following causes: deficit on the Canadian National Railway, the non-payment of dividends on the Canadian Pacific Railway stocks, non-payment of interest and dividends on Paper Companies securities, the lowering of deposit rates, and you have an annual amount of about \$385,000,000. Canadian production and commerce is deprived of this money. Provincial debts, since the War, have increased by over \$1,100,000,000, while municipal debts have increased almost a like amount. Ontario municipal debts have increased from \$153,000,000 to \$500,000,000 since 1913.

You may say I am painting a sad picture which will discourage and does not help. No, these are facts which you are facing and must remedy. Suggestions are many, that the only solution lies in inflation, confiscation or repudiation. This country is too wealthy and its people are too honourable and too proud to resort to these methods. Such methods are at all times demoralizing—as well, they always bring disastrous penalties, they never pay. We must establish income, must simplify government, have National instead of Provincial regulation over all kinds of transportation; and transportation service should be such as to earn a fair profit, based on the present worth of invested capital. We must eliminate waste which has almost ruined our country; we must open the doors of trade by reducing costs. This will solve unemployment and increase revenue whereby we can honourably pay our debts. We must not overlook the fact that Canada can consume only a portion of the larger elements of our production. We emphatically must not retard production, thereby increasing unemployment, contracting income and making our problems impossible. We must, on the contrary, increase our foreign trade, and in order to share in foreign trade we must meet foreign prices and conditions. We can do this by lowering

our costs, and in so doing it does not mean that our standards of living will be lowered.

One of the ways completely to destroy progress and recovery is excessive taxation. Industry is our way out. We must depend upon industry, upon the wealth which industry creates and the employment which industry provides, to bring about prosperity both for workers and employers. Business not only creates wealth and employment, but it distributes wealth—the only sound and legitimate way in which wealth can be distributed. Some people seem to think that business and wealth are things taken wrongfully from others. Business and wealth conducted and created by either individuals or State are absolutely necessary to civilized society. Some people, through taxation, would confiscate wealth, but when accumulated wealth has been plundered, the creating of new wealth has been made impossible. Taxation must be paid out of production, there is no other way to pay it. The higher the tax, the higher the cost of production and the higher the selling price. The higher the selling price, the less merchandise bought; the less merchandise bought, the fewer people employed; smaller quantities of raw materials used. Heavy taxes retard and burden alike the labourer, the farmer, the professional man and the business man. Excessive taxation is no cure for financial troubles any more than a hypodermic of morphine is for a disease. It may temporarily relieve, but it does not cure.

We are encouraged by the active way our Dominion and Provincial Governments are attempting to solve our complex problems. The Ontario Government has made progress in cutting down expenses, but relief expenditure is terrific and is growing. There is very much yet to be done. All Governments should receive the co-operation of citizens of every party and class. The Dominion Government has a large working majority and thereby will not be under restraint in the work it undertakes. The meeting of the Dominion and Provincial Governments should result in benefits to all. It is hoped that needed changes will be made in the British North America Act. It would appear that all sections of the country would be benefited by

extending the jurisdiction of the National Government in matters of trade, business and finance.

The whole problem of relief must be attacked anew and attacked from the point of view of absolute national necessities and not from the point of view of party politics or votes. If this is not done, the whole fabric of society is going to be in danger. We have witnessed lately some improvement in business and production, better conditions of employment and, in a very limited measure, better times. But the point is, all of this has been accompanied not by a reduction, but by an increase in the gigantic costs of relief, and by added debt in scores of millions. We can not maintain every one on relief on a scale of comfort, the vast masses of people, if kept on a scale of even spare comfort, are not sufficiently inclined to get out and vigorously hunt for work and accept work when it is offered. Never before in the world's history was anything attempted like what is being attempted now, on the scale upon which idle people are taken care of. The whole system has to be revised and it has to be done in a thorough-going determined and practical way. We have witnessed enough already to be sure that on the scale on which this is done at present, the machine of civilization just won't work; it is being overwhelmed by debts which now appal and which will soon absolutely destroy. Our great problems are unemployment relief, the staggering losses made annually by our National Railways, the ever growing debts of our too many Governments, our increasing taxes that are stifling our progress and retarding our national development. The solution of these problems should not be that of government alone—you have a personal responsibility and we would make better progress if you would accept that responsibility. I have thought, if not too large a group could be selected from different parts of our country, choosing capable persons from different trades and professions, from manufacturers and financial interests, from commerce and transportation, that this group, working unselfishly in conjunction with our Governments, might serve some useful purpose.

I am pleased to move the adoption of the Report.

Mr. R. S. McLaughlin—I have much pleasure in seconding the adoption of the Report.

The Chairman presented the motion to the Meeting and the Report was adopted.

Mr. J. M. Macdonnell—Mr. President: I have been asked to move a resolution of thanks to the officers and staff of the Bank, and it gives me great pleasure to do so. Although this is a meeting of Shareholders, perhaps I may be allowed to speak from the point of view of one who is a member of the staff of another institution, with perhaps many problems similar to your own.

I should like to say a word about Mr. Dudley Dawson, with whom my relations have been most pleasant. Mr. Dawson is a man whom one instinctively trusts, and I think this is partly because he trusts others. If (which I do not think is the case) there are any here with overdrafts, I think I should warn them that I am sure he does not do so indiscriminately, but I do feel that a man who trusts others gets the best out of them, and I am sure that he has got the best out of those he has working for him by treating them in the same way.

But it is really not the senior officers I intend to speak about. I should like to say a word which may carry through to the more than 1,100 officers of this Bank working in 130 branches up and down the country. I feel that in a very real way, and I am sure you will agree, they are the backbone of the Bank and that it could not get on without them; they have learned the great truth, as Kipling puts it—

“Man must finish off his work,
Right or wrong, his daily work,
And without excuses.”

That is what you have 1,100 people doing every day. One of the great problems of the senior officials is to make them feel that they are important and that their daily work counts, that their work is appreciated, and if anything I say this afternoon will in any way encourage them and make them feel that their work is appreciated, I am more than glad to say it.

Mr. President, I have great pleasure in moving that the thanks of the meeting be given to the General Manager and the other officers of the Bank for the efficient performance of their respective duties during the year.

Mr. L. L. Lang—Mr. Chairman, Ladies and Gentlemen: Before seconding the motion so graciously and sincerely placed before this meeting by Mr. Macdonnell, I would like to add my congratulations to those already expressed to-day to your President, Directors and General Manager. The statement before you, I believe, reflects the mind and character of your staff, and I would say, Mr. President, that you have an organization that is thinking with you, planning with you and working with you. This spirit of loyalty and co-operation is necessary in any banking or any industrial business. I think, Sir, in fact I know, we have still a number of people in Canada who are intelligent and conscientious and who are not so much interested in that current salary cheque as in the welfare of their officers and the company they represent. I am pleased indeed to express my own appreciation and that of the Company I represent, to the staff of The Dominion Bank and to second the motion submitted by Mr. Macdonnell. (Motion carried.)

Mr. Dawson—I would like to thank Mr. Macdonnell and Mr. Lang, the mover and seconder of this motion, for their very kind remarks. Mr. Atkinson, from Vancouver, is here to-day and I am going to ask him to say a few words.

Mr. A. A. Atkinson—Ladies and Gentlemen: The staff in British Columbia has not been represented at an Annual Meeting for a number of years, and before thanking you for this resolution, I would like to say that we have a fine body of employees on the Pacific Coast, who are conscientious, loyal and are co-operating whole-heartedly in the best interests of The Dominion Bank. This resolution is always greatly appreciated by the staff and I am sure the rank and file will particularly appreciate Mr. Macdonnell's remarks. I thank you very much indeed on behalf of the staff generally.

Mr. D. A. Campbell—I have much pleasure in moving that Mr. A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell

& Company, and Mr. W. D. Glendinning, C.A., of Glendinning, Gray & Roberts, be appointed Auditors to hold office until the next Annual General Meeting, that their remuneration be fixed at a sum not to exceed \$10,000 and that the ballot for the Auditors be taken at the same time as the ballot for the Directors is taken.

Mr. C. W. Kerr, K.C.—I have much pleasure, Mr. President, in seconding that motion. (Motion carried.)

Mr. R. L. Defries—I move that the Board of Directors for the ensuing year be—C. A. Bogert, Col. The Hon. Herbert A. Bruce, M.D., F.R.C.S. (Eng.), C. H. Carlisle, R. Y. Eaton, R. J. Gourley, E. W. Hamber, J. M. Mackie, A. C. Matthews, R. S. McLaughlin, F. Gordon Osler, Joseph M. Pigott, J. Allan Ross and H. H. Williams.

Mr. C. E. Lee—I have pleasure in seconding that motion. (Motion carried.)

Mr. G. R. Medland—I move that a ballot box be now opened for the receipt of ballot papers for the appointment of Auditors and for the election of Directors, and that the poll be closed at four o'clock in the afternoon or so soon before that hour as five minutes shall have elapsed without any further vote being cast, and that the Scrutineers do certify the result of the poll to the Chairman of the Meeting.

Mr. Allan McPherson—I have much pleasure in seconding that motion. (Motion carried.)

After receiving the report of the Scrutineers, the Chairman declared the gentlemen nominated as Directors to have been elected Directors for the ensuing year, and reported that Mr. A. B. Shepherd, F.C.A., and Mr. W. D. Glendinning, C.A., had been appointed Auditors and the appropriation for their remuneration authorized.

The Chairman thanked the Shareholders for their attendance and the meeting adjourned.

At a subsequent meeting of the Directors, Mr. C. H. Carlisle was elected President, Mr. C. A. Bogert, Chairman of the Board, and Mr. R. S. McLaughlin, Vice-President, for the ensuing year. The following were elected members of the Executive Committee of the Board: Messrs. C. H. Carlisle, C. A. Bogert, R. S. McLaughlin and H. H. Williams.

The Annual Statement, with copy of the Profit and Loss Account, and the Minutes of the Annual Meeting are sent to the Shareholders in accordance with the provisions of Section 53 of the Bank Act.

